

Top Issues in American Higher Education, Michigan in Context

MASU Legislative Luncheon

March 15, 2017 / Christman Building, Lansing



Daniel Hurley, Chief Executive Officer

Bob Murphy, Director of University Relations & Policy

Agenda

- Critical issues in American higher education
- Open dialogue

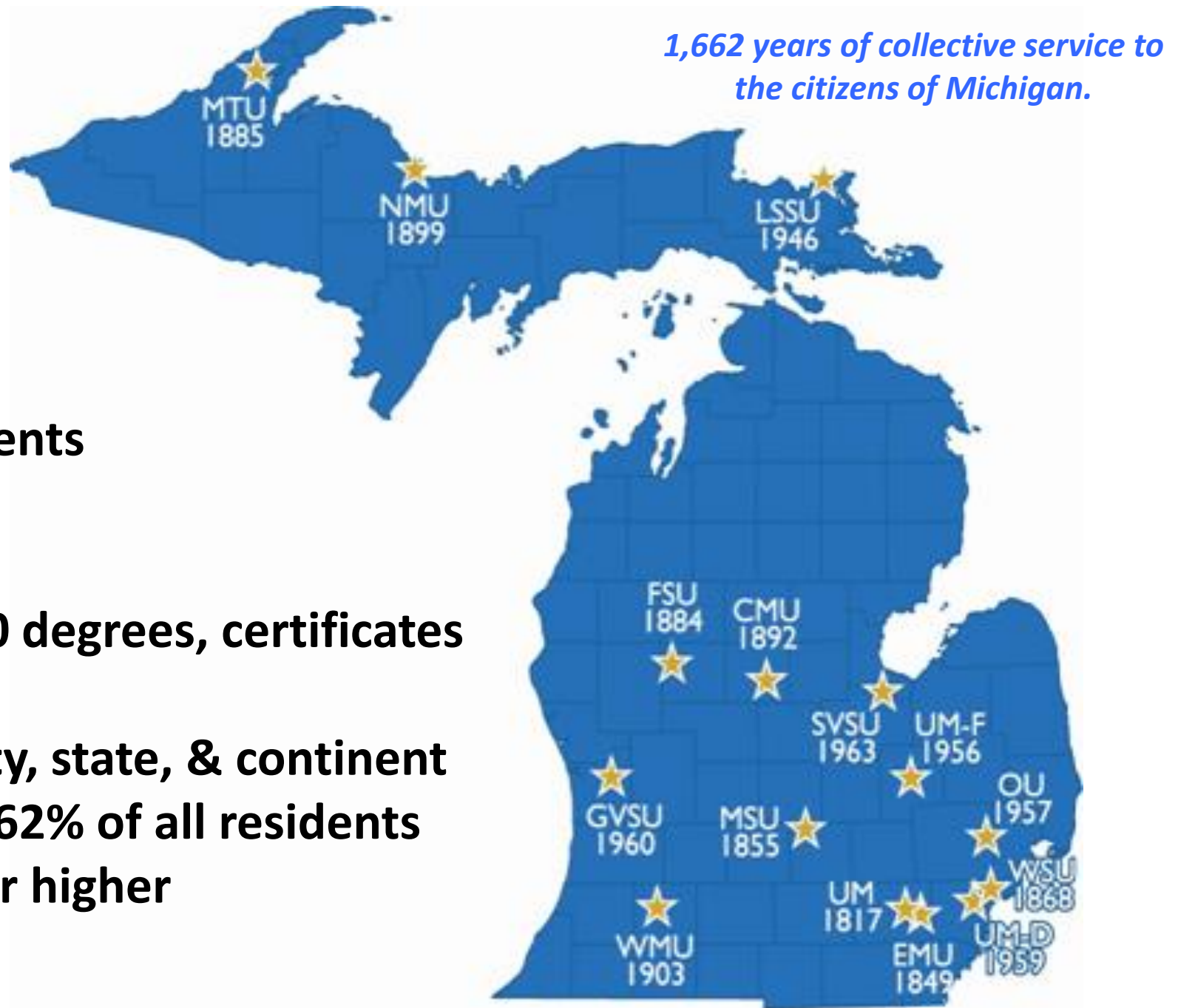


Presentation available at masu.org



Michigan's 15 Public Universities

- Enroll nearly 300,000 students
- Oldest: UM—1817
- Youngest: SVSU—1963
- FY 2016: More than 71,000 degrees, certificates & awards granted
- Students from every county, state, & continent
- 1.3 million alumni in MI – 62% of all residents with a bachelor's degree or higher

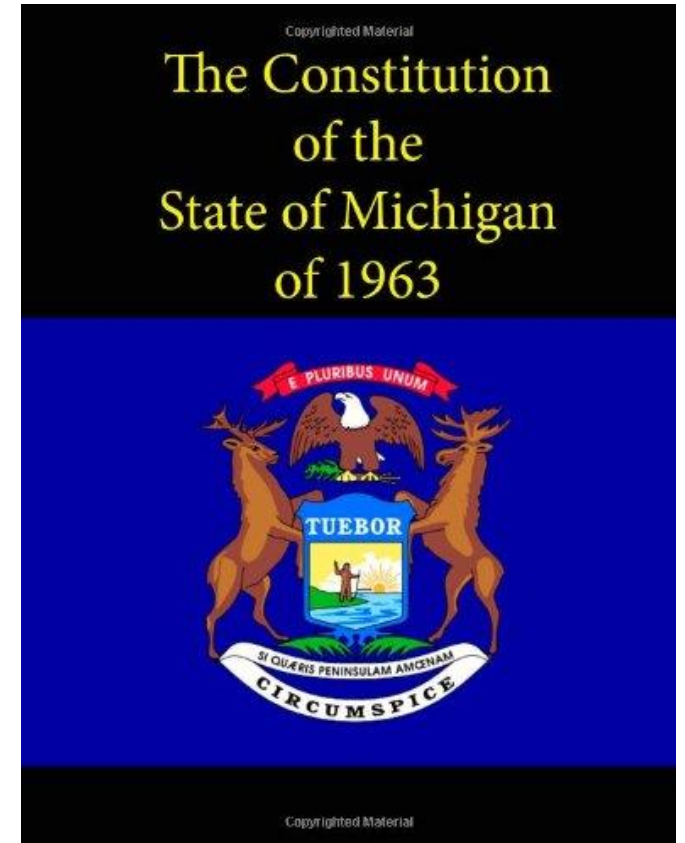


University Governance

- **8-Member Governing Boards**
 - Gubernatorially-appointed
 - Statewide-elected (MSU, UM, WSU)
 - Leaders from private & non-profit sectors
- **State constitutional autonomy**
- **Flexible, responsive, efficient**

Article VIII, Section 5 of Michigan's 1963 Constitution

Each board shall have general supervision over its institution and the control and direction of all expenditures from the institution's fund.



Local, State & Global Impact



- Innovation & Entrepreneurialism
- Research & Development
- Environmental Sustainability
- Health Care
- K-12 Outreach
- Public Safety & Veteran Outreach
- Civic Engagement & Education
- Student Service and Outreach
- Culture and Placemaking
- Faculty Perspective and Expertise
- Flint Water Crisis
- Global Outreach

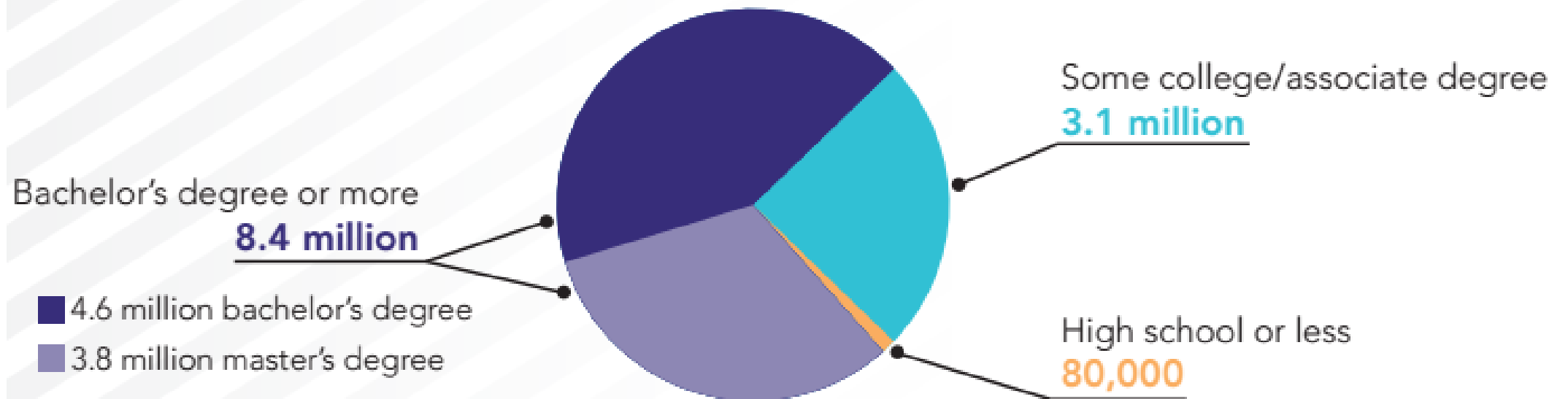
Higher Education: The Key to Prosperity in a Knowledge Economy

U.S. JOB GAINS SINCE 2010

THE ECONOMY HAS ADDED 11.6 MILLION JOBS SINCE THE GREAT RECESSION.
99% OF THOSE JOBS HAVE GONE TO WORKERS WITH AT LEAST SOME COLLEGE.

72% HAVE GONE TO THOSE WITH A 4-YEAR DEGREE OR BEYOND.

LESS THAN 1 PERCENT WENT TO THOSE WITH A HIGH SCHOOL DIPLOMA OR LESS.



Georgetown University study, *America's Divided Recovery*, 2016

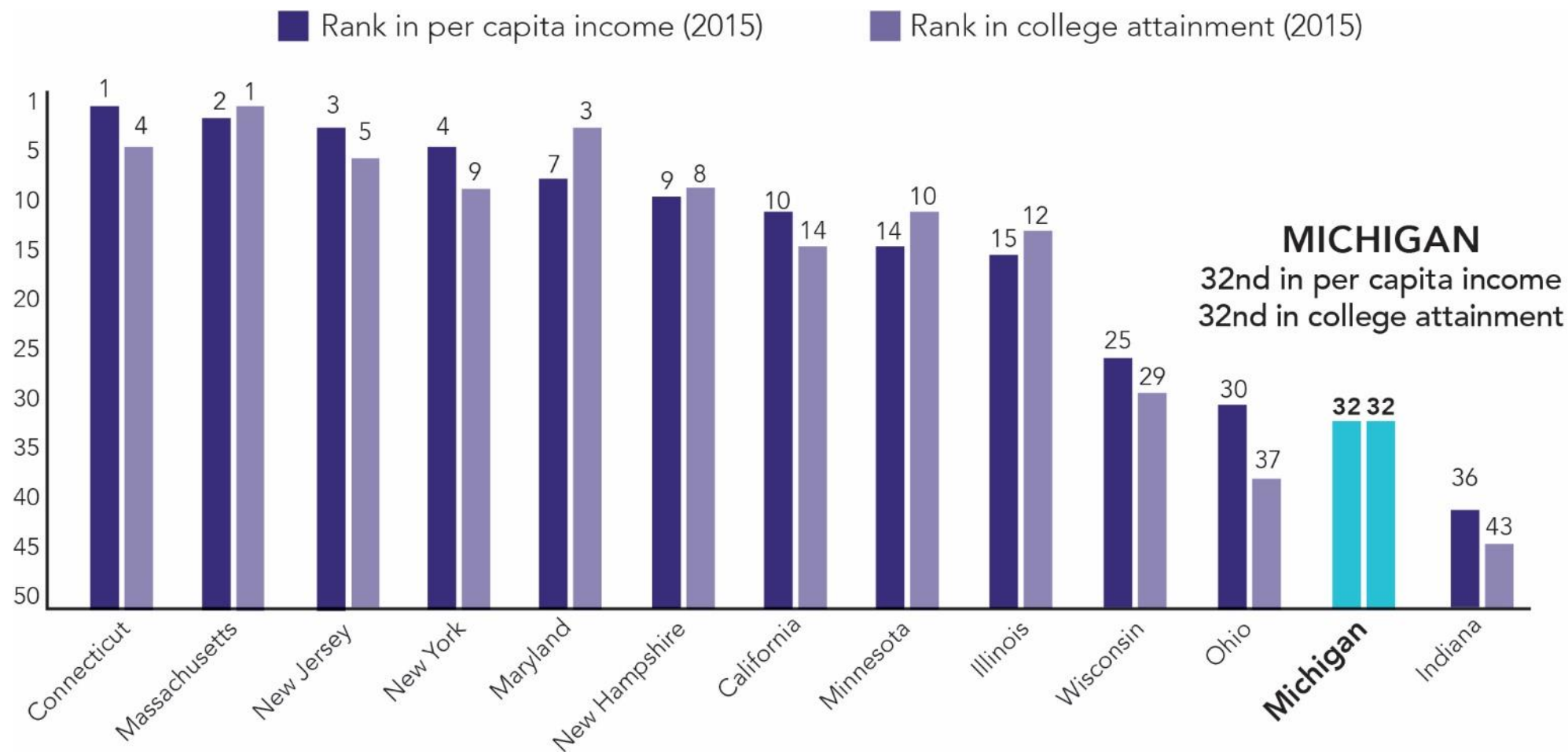


MICHIGAN'S HOT 50

Of the top 50 good paying, growing occupations in Michigan through 2024:
43 require some college, and 36 require a bachelor's degree or higher

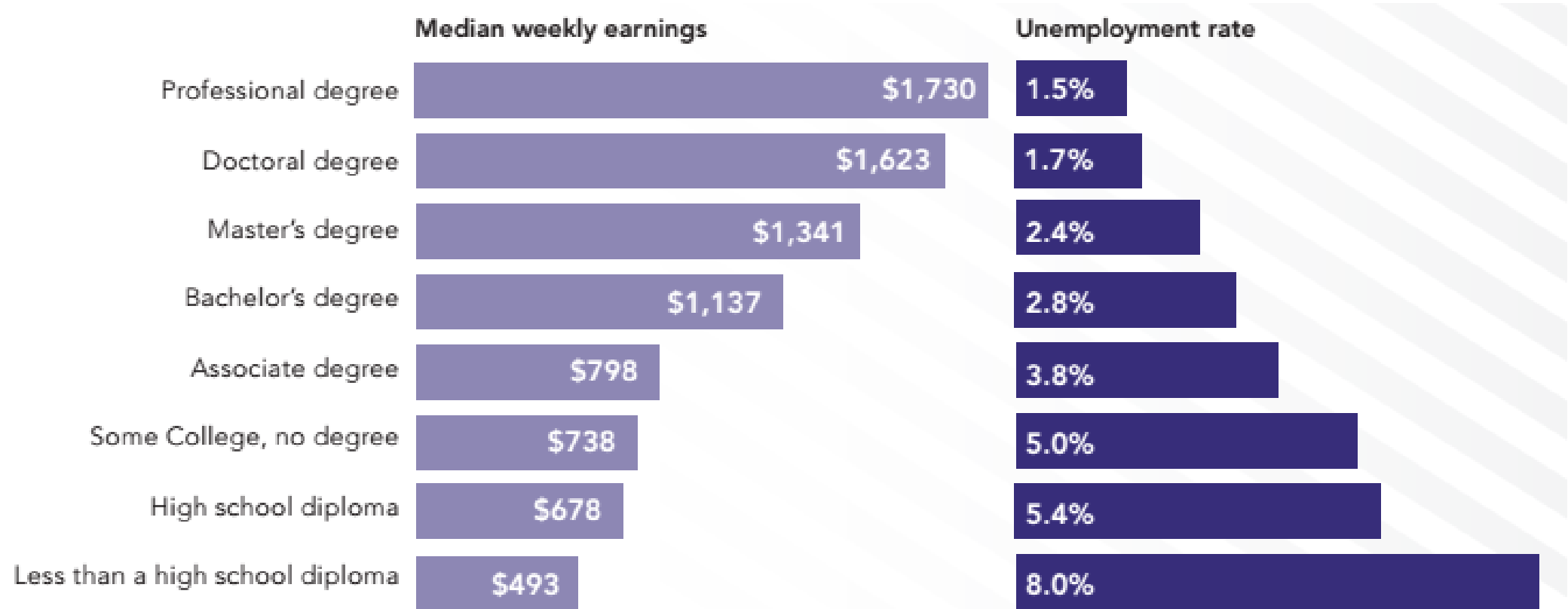
Michigan Bureau of Labor Market Information and Strategic Initiatives. Milmi.org

The Most Prosperous States Have the Most College Graduates



Source: Bureau of Economic Analysis, REIS. American Community Survey, Decennial Census.

Earnings & Employment Rate by Educational Attainment



*Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.
Source: U.S. Bureau of Labor Statistics, Current Population Survey*

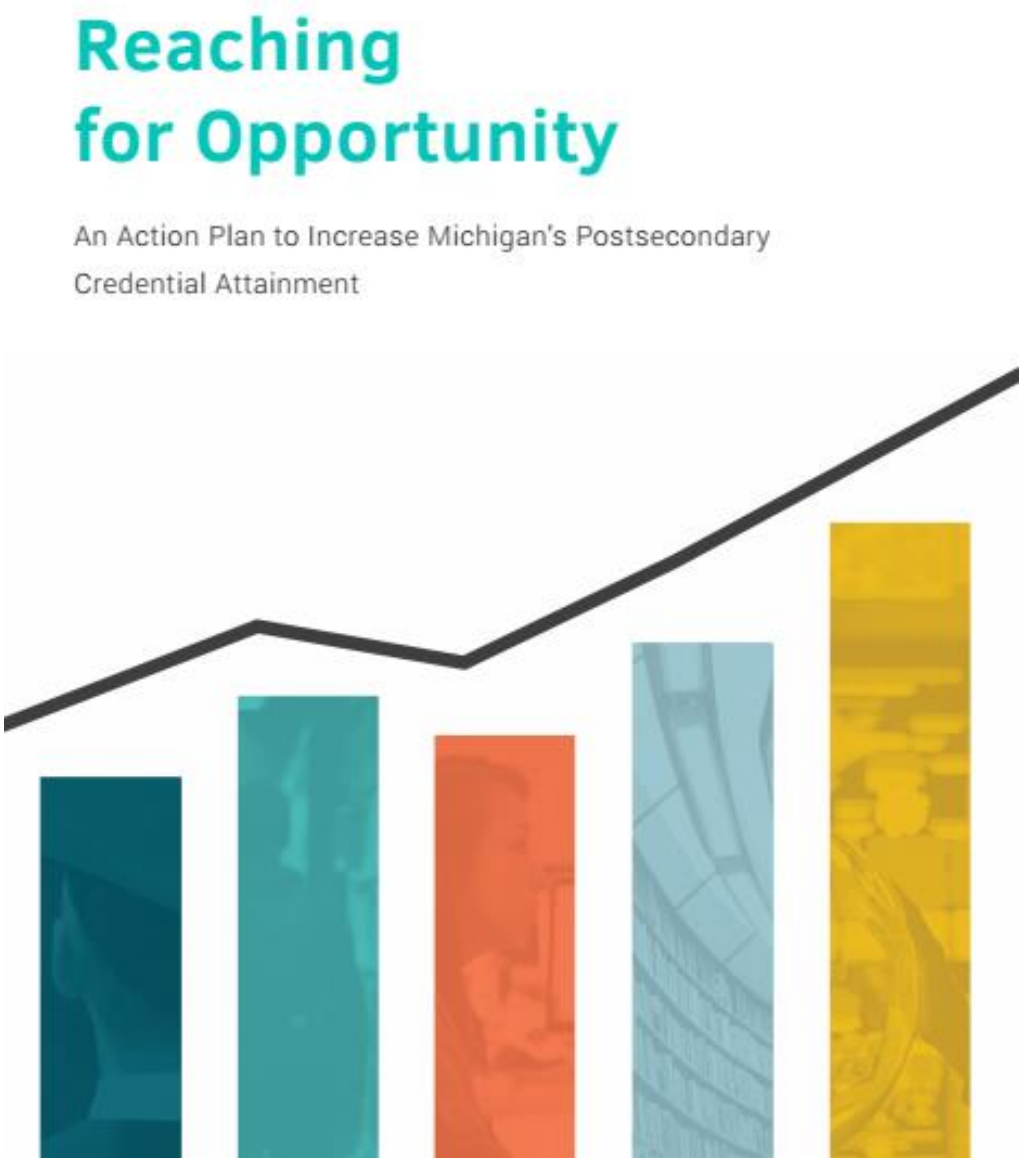
Educational Attainment

The Goal:

60% of Michigan Residents to have a Postsecondary degree or credential by 2025.

More Info at:

mitalentgoal2025.org

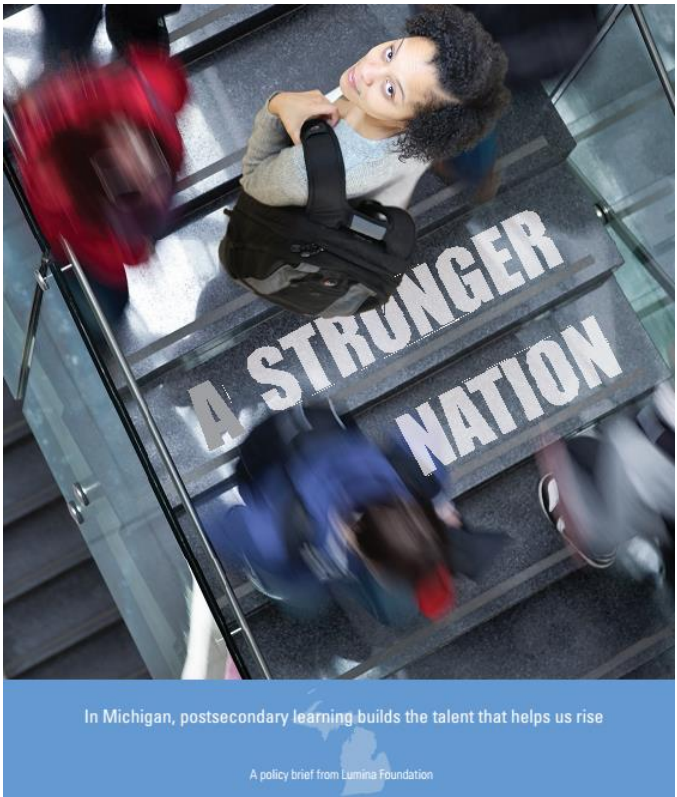


Good News on Educational Attainment in Michigan, Associate's degree or above:

2008: 35.7%

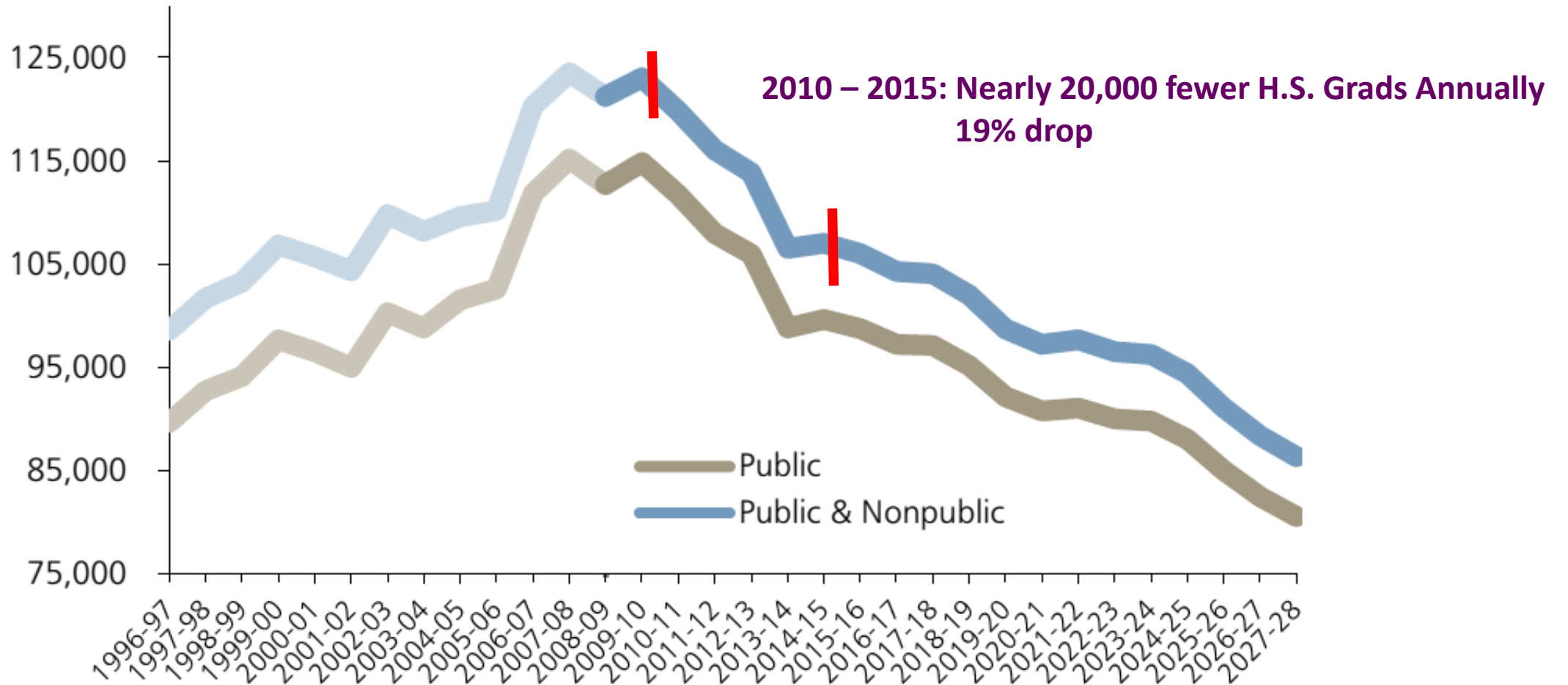
2014: 39.3% (+3.6%)

43.3% when including high-quality certificates



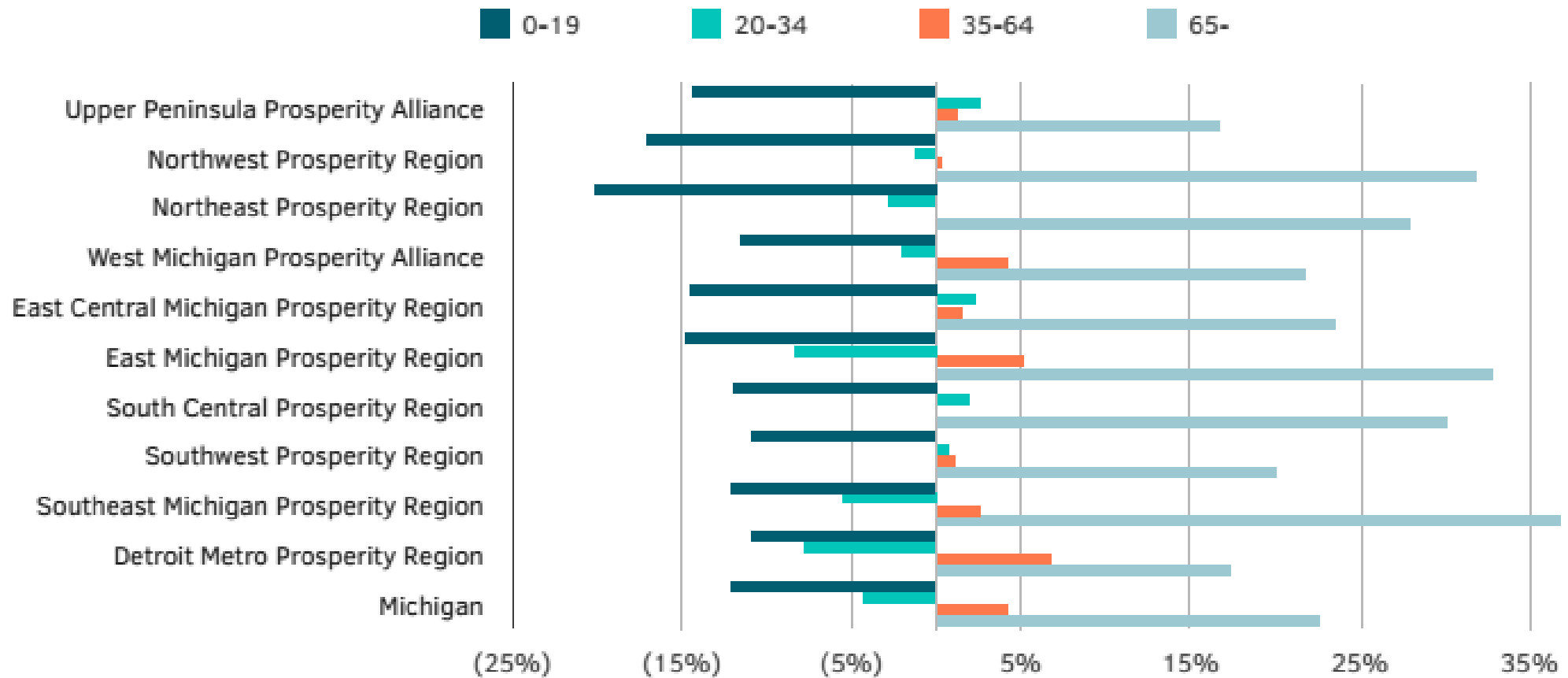
Challenge: Demographics and Migration

Production of High School Graduates in Michigan



Challenge: Demographics and Migration

Age Groups, Rates of Change, Michigan Residents, By Prosperity Region



Source: Reaching for Opportunity / U.S. Census Bureau, Annual County Population Estimates, 2013 data.

Michigan College Enrollment Trends

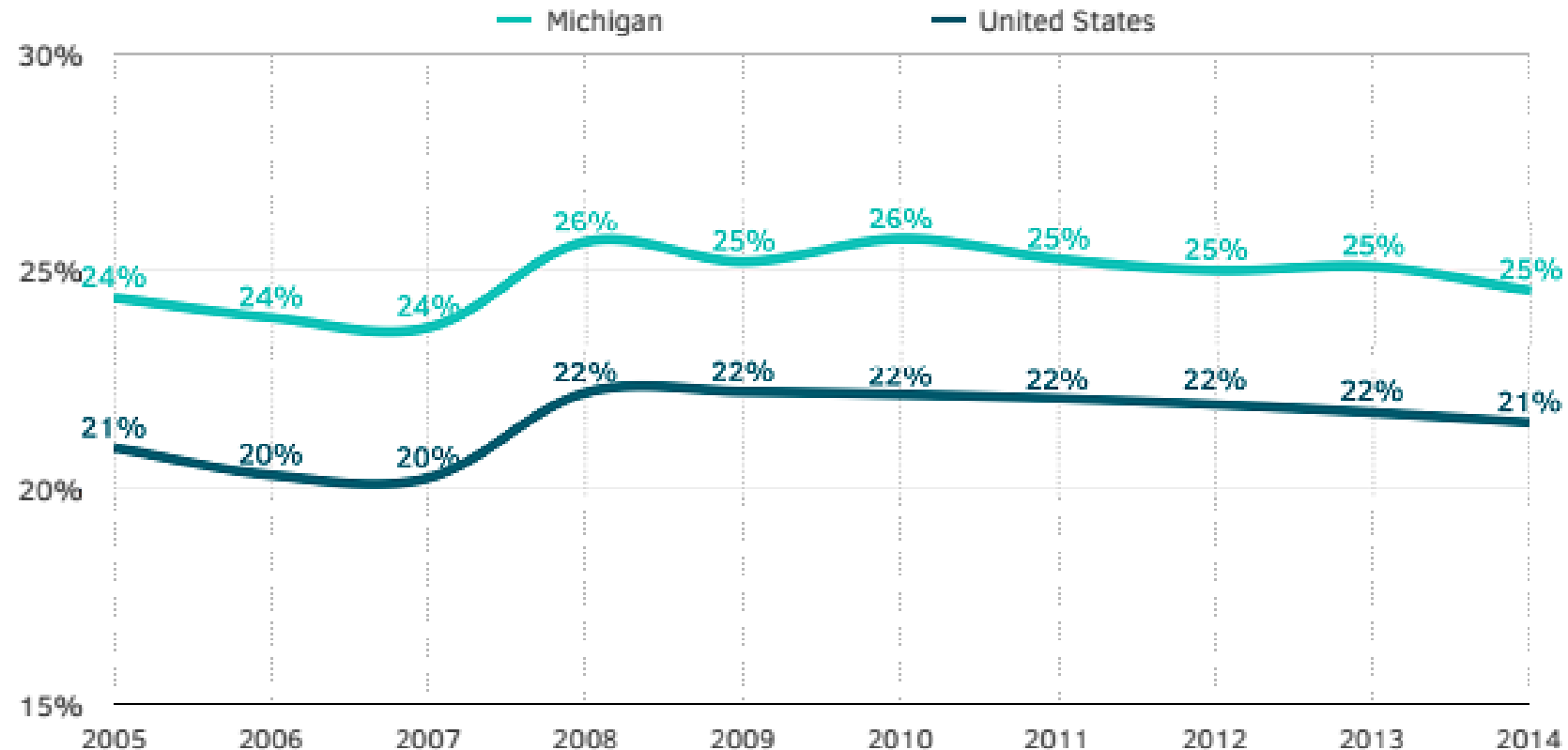
Total Students 2008-2016

- Community colleges: -15.6%
- Independent colleges: -14.9%
- Public universities: +1.0%
 - +4.7% among undergraduates
 - Fall 2016: +5.3% among full-time freshmen



Opportunity: Adult Non-Degree Completers

Percent of Michigan Adults, Aged 25-64, with Some College, No Degree



Opportunity: Out-of-State & International Enrollment

International Student Enrollments: Midwest Regional States

	<u>Annual Growth</u>	<u>National Rank</u>	<u>2015-16 Students</u>
Illinois	8.1%	#5	50,327
Pennsylvania	6.0%	#6	48,453
Ohio	5.6%	#8	37,752
Michigan	5.7%	#9	33,848
Indiana	4.0%	#10	29,219

Michigan higher education: A more than \$1 billion annual export industry

State Investment in Higher Education

--A Recent Review--

- 15% cut in FY 2012, followed by 5 consecutive years of re-investment in university operating support (appropriations)
- Flat funding of Michigan Competitive Scholarship for past 7 years (state financial aid for students attending private & public colleges)
- FY 2018 Budget Recommendation:
 - *Collective* restoration of state operating support
 - \$8 million increase in MCS



State Investment in Higher Education

--The Longer View--

- Almost \$1 billion reduction in inflation-adjusted state higher education and student aid funding since 2002
- MI ranks 39th in per capita state fiscal support for higher ed

State University Operating Support

2000

\$2.1 Billion

\$9,387 per full-time student

2016

\$1.36 Billion

\$5,217 per full-time student

....a 44% decrease in state funding per-student (inflation-adjusted)



Cuts in State Support Have Hurt College Affordability

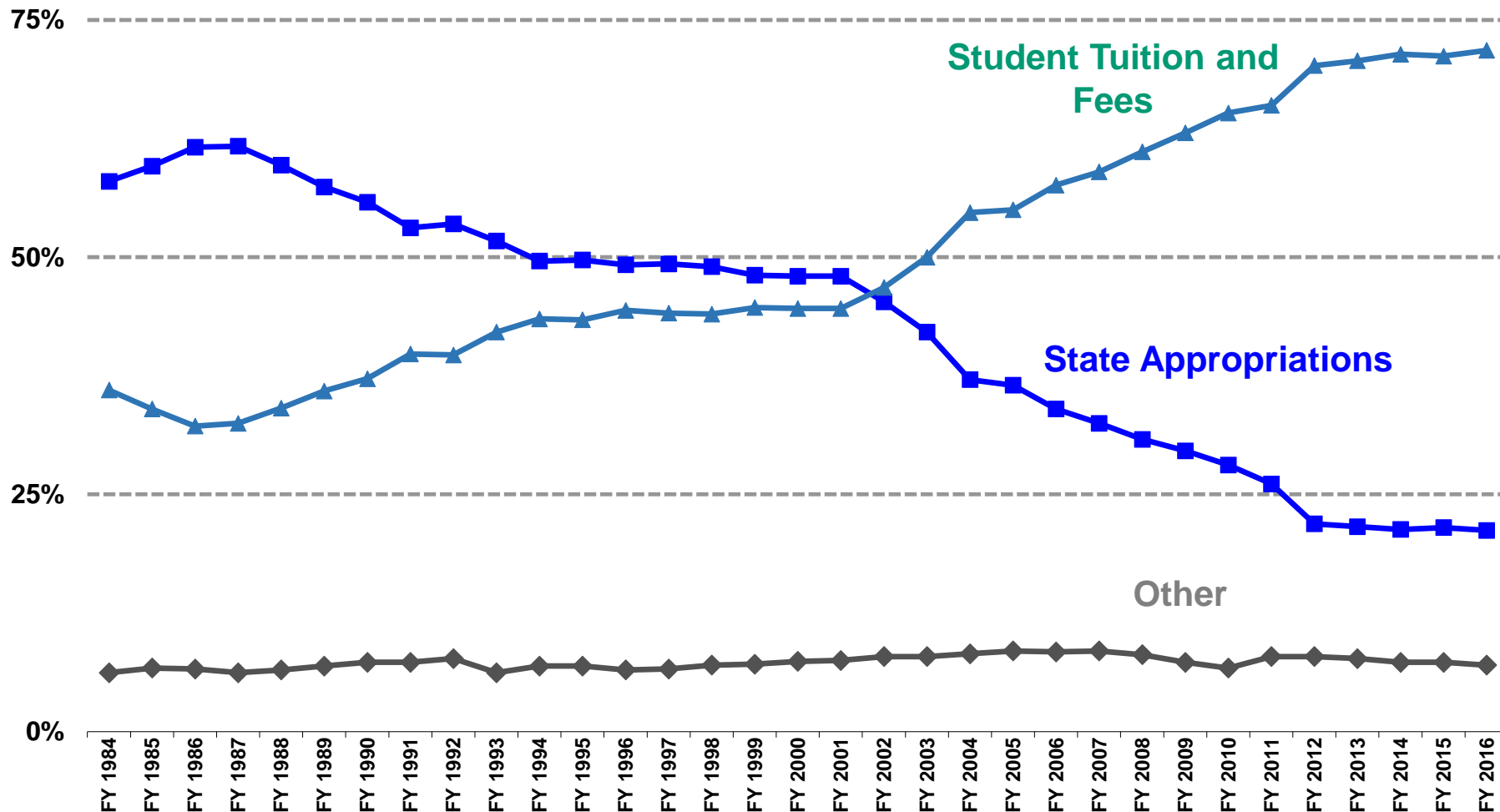
STATE SPENDING FROM STATE RESOURCES
DOLLARS IN MILLIONS

	2001-02	2016-17	% change
Community Health and Human Services	\$4,296	\$6,669	49.6%
Corrections	\$1,653	\$1,988	20.1%
K-12 School Aid	\$11,221	\$12,343	8.9%
Community colleges	\$320	\$395	27.0%
Higher education	\$1,941	\$1,481	-19.5%
Revenue sharing	\$1,517	\$1,229	-15.3%
All other	\$5,139	\$6,891	38.7%
Total	\$26,087	\$30,998	19.1%
Federal Funding	\$11,243	\$22,661	85.4%
Michigan Personal Income	\$301,496	\$449,394	43.0%
Detroit CPI	178	224	21.7%

Senate Fiscal Agency, not adjusted for inflation

State Support and Tuition Linked

Proportion of Tuition and State Appropriations that Comprise Universities' General Funds

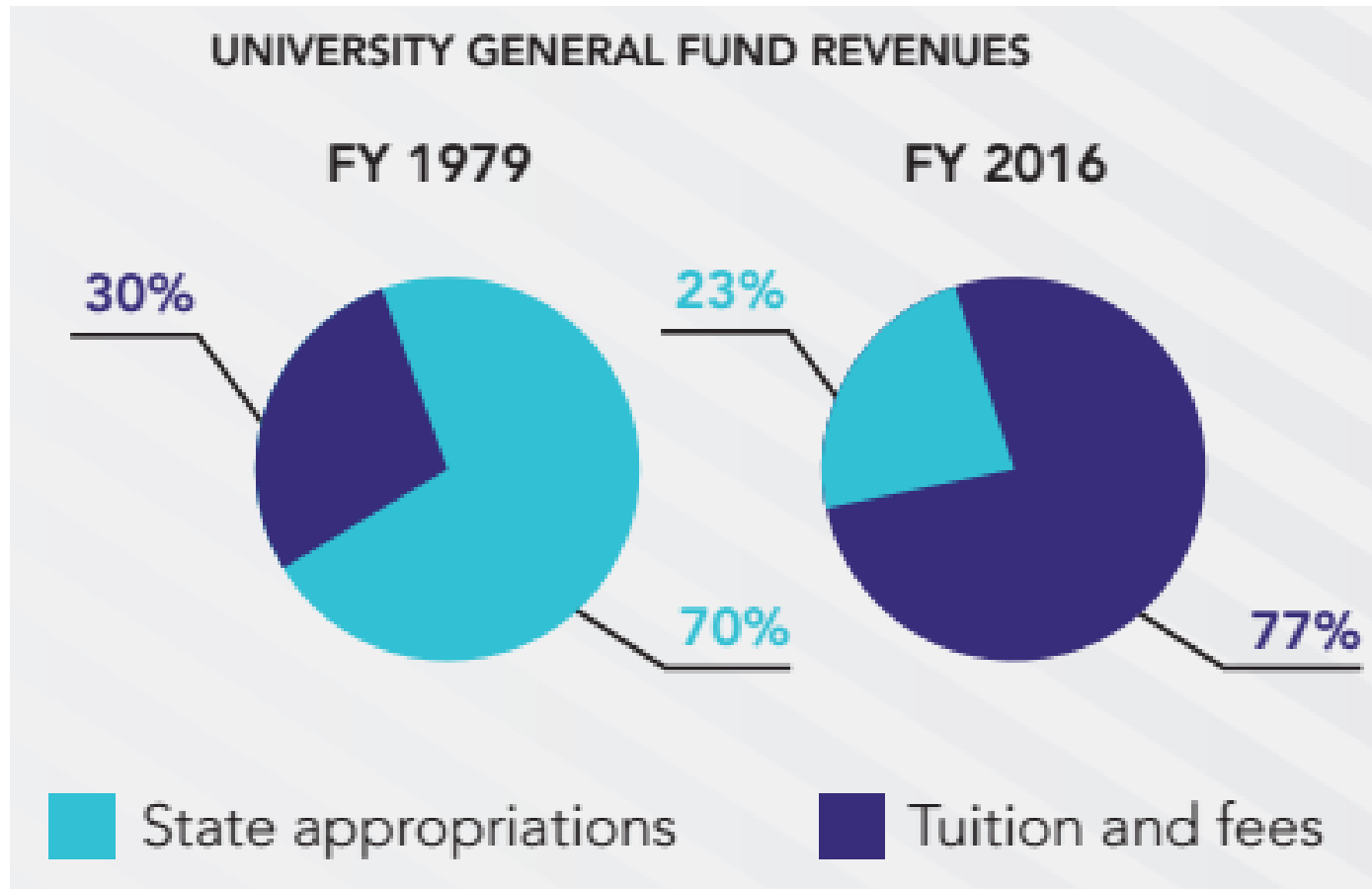


Factors in Tuition Price Escalation

Since FY 2001, 80% of tuition price increases are attributable to **state funding reductions**, and nearly 100% when factoring in **institutional financial aid**.
(inflation-adjusted, as of FY 2014).

House Fiscal Agency, December 2013

The State-to-Student Cost Shift in Paying for a Public University Education



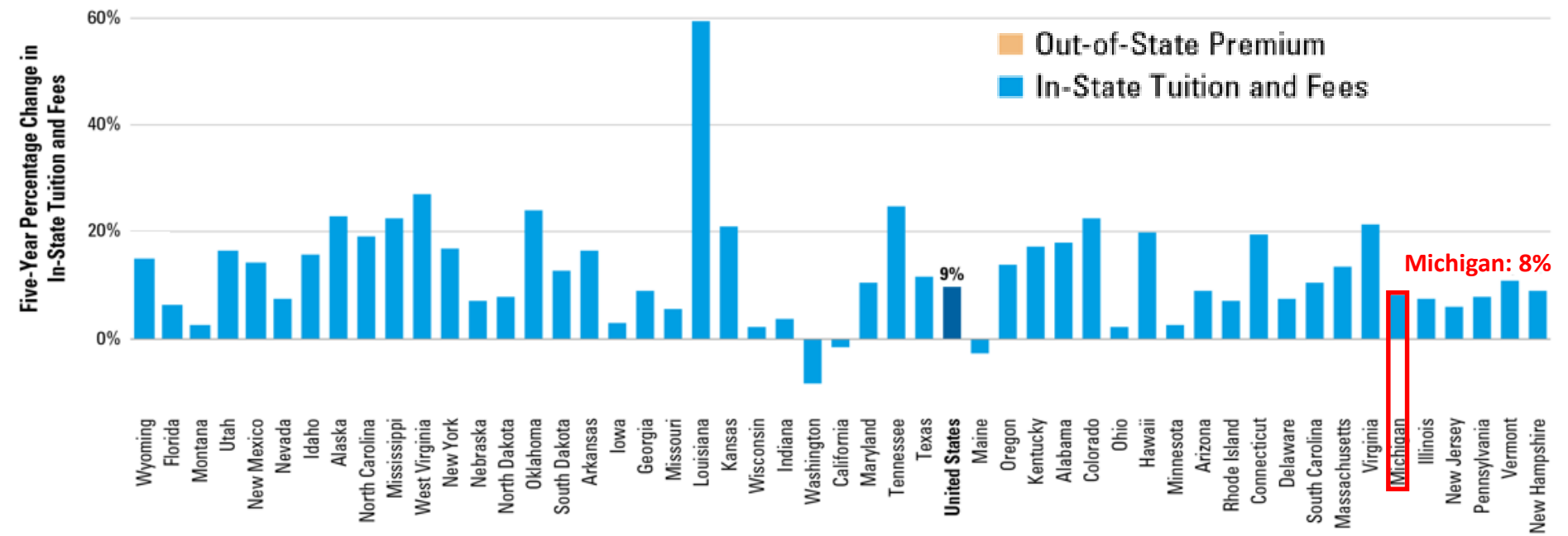
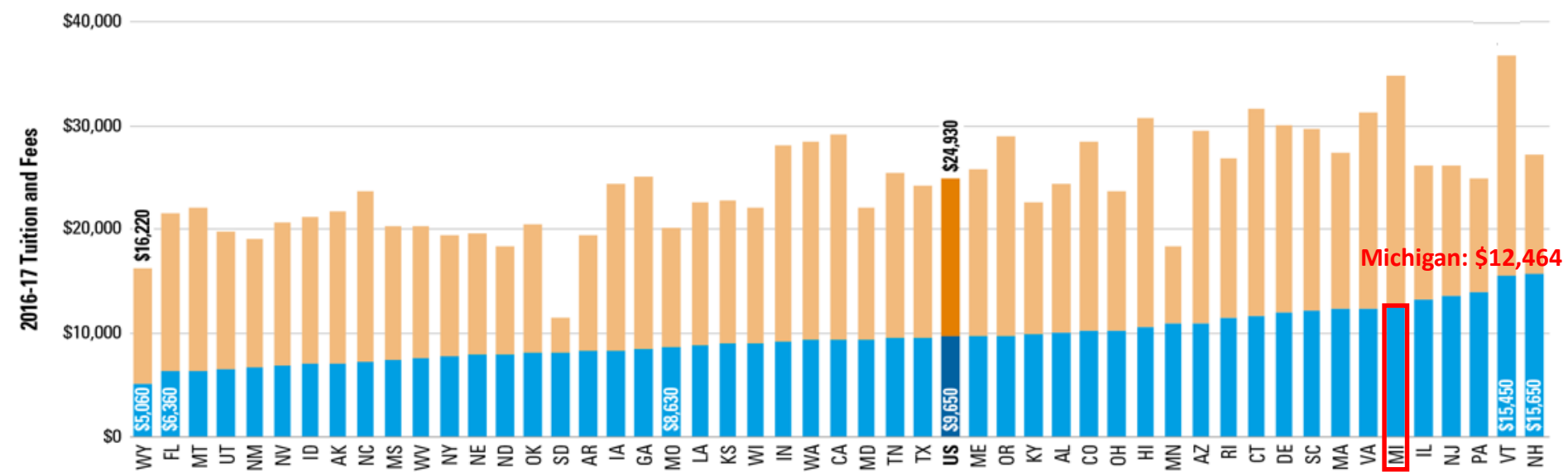
State
disinvestment has
resulted in
Michigan's public
universities having
higher tuition
rates....

...but the universities
have kept tuition
increases lower than
the national average
in recent years.

*Note: Published Prices, Not
Including all forms of Grant Aid

Source: The College Board, 2015 Annual Survey of Colleges

Average 2016-17 In-State Tuition and Fees at Public Four-Year Institutions, by State



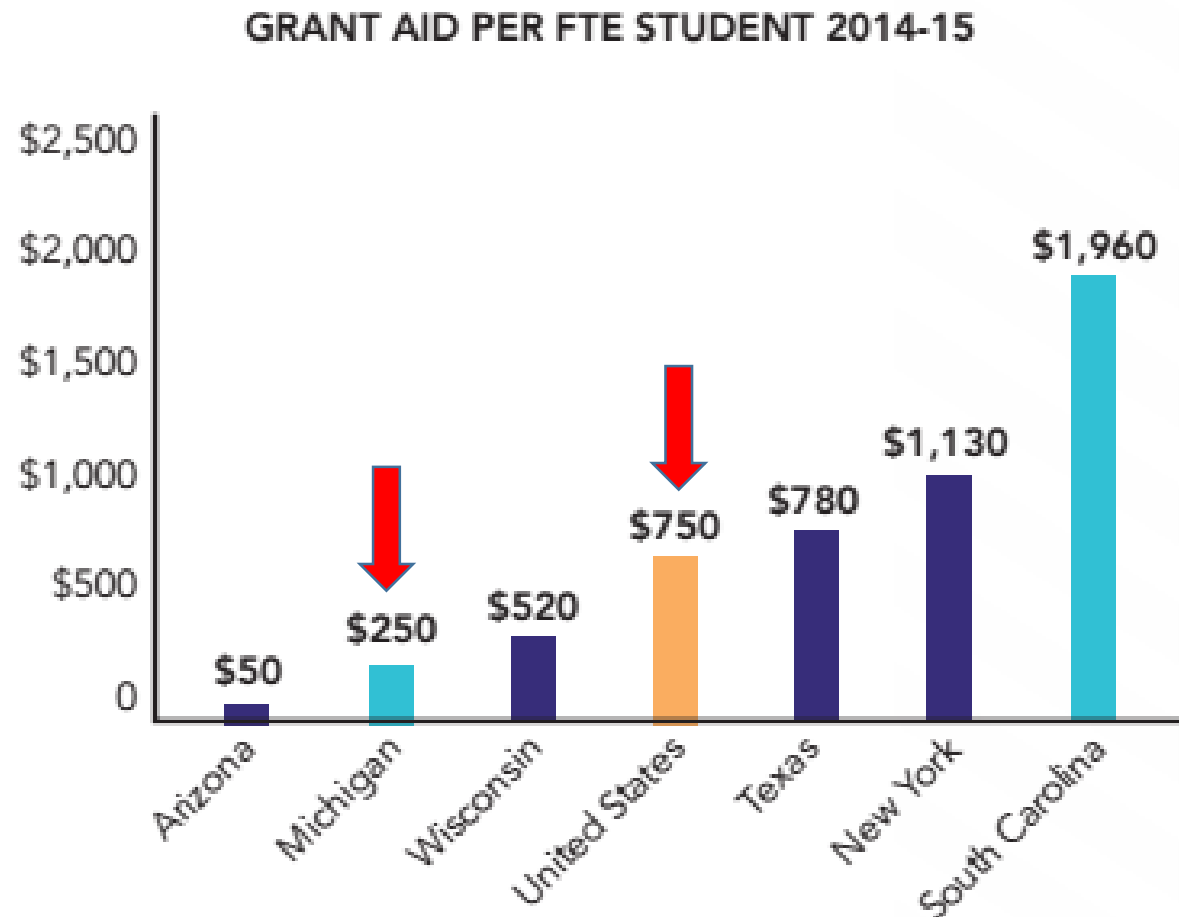
Five-Year Percentage Change in Inflation-Adjusted Tuition and Fees

State Financial Aid

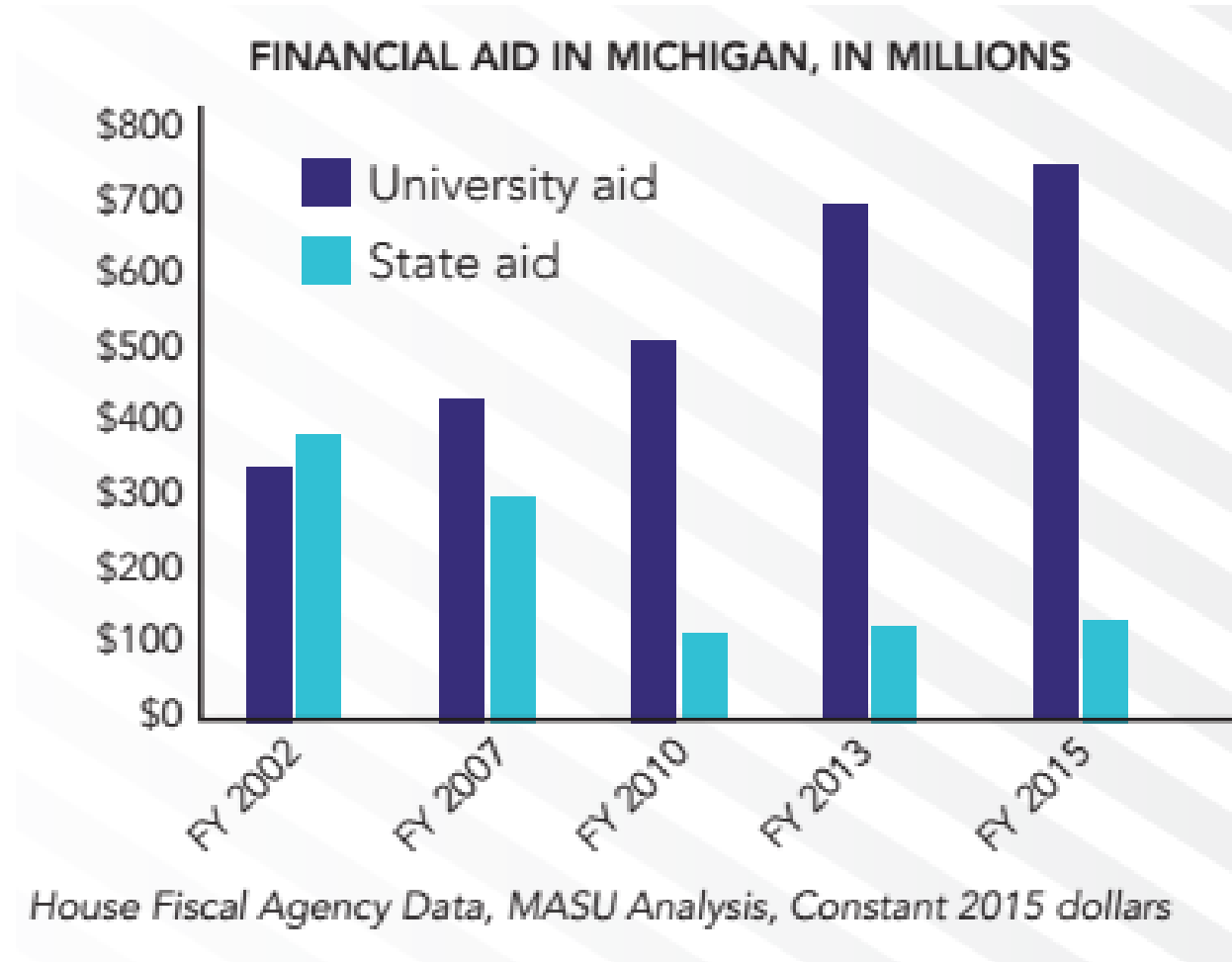
- **MI 39th nationally in financial aid investment**
- **69% reduction in state aid since 2002 (CPI adjusted)**
- **Shift in the provision of financial aid from the state to institutions**



Michigan Student Financial Aid: One-Third the National Average



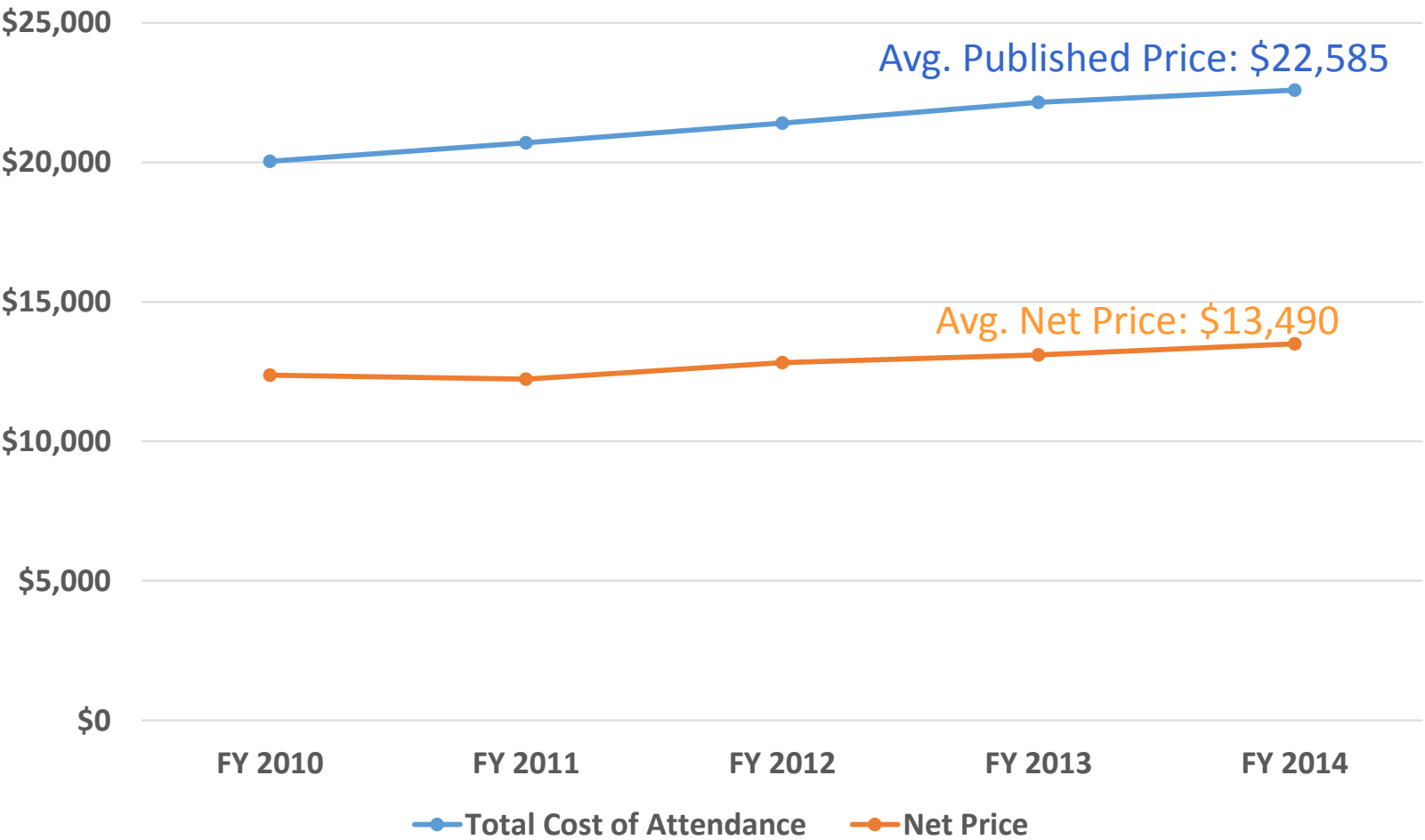
Universities: Helping to Fill the Financial Aid Gap



Sticker Price Vs. Net Price at Michigan's Public Universities

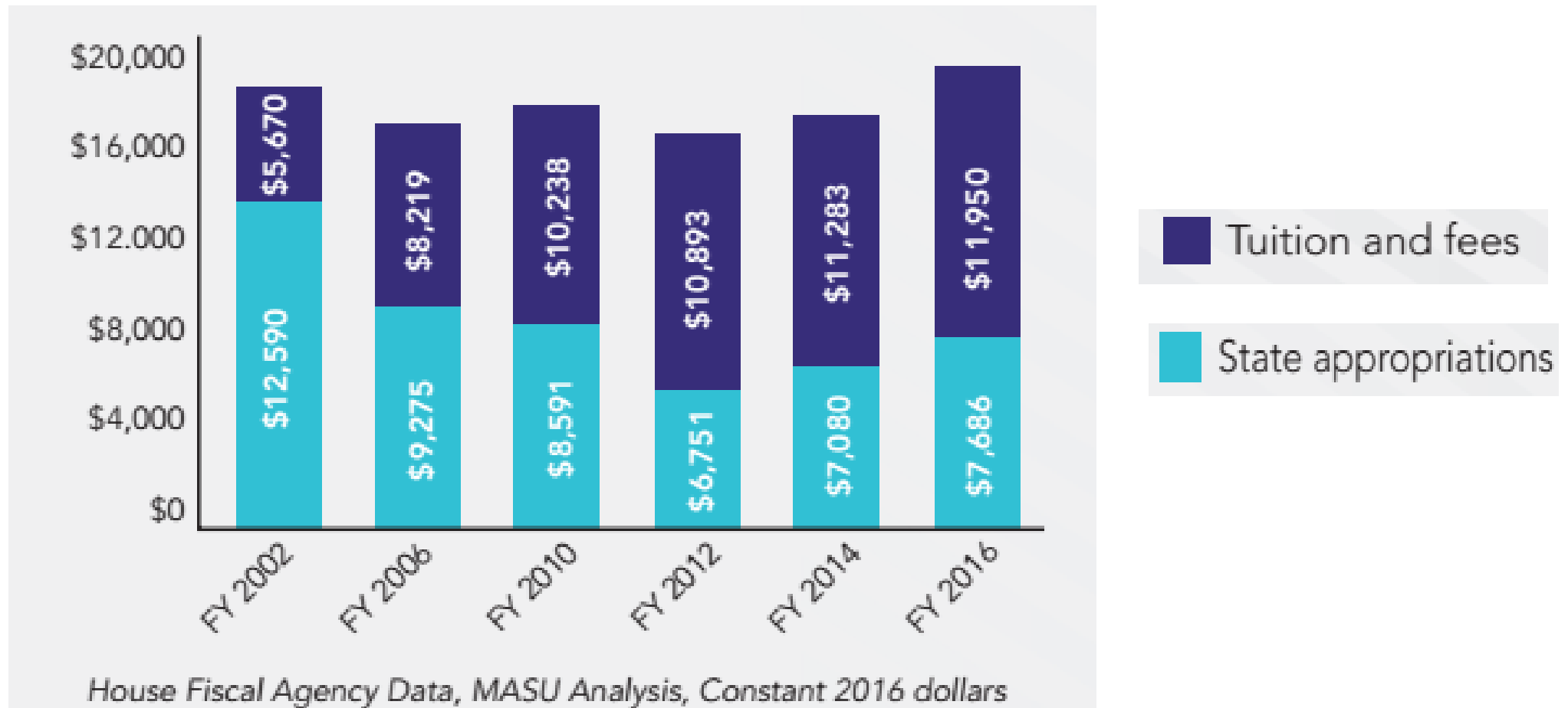
When factoring in all forms of grant aid—federal, state and institutional (not including loans), the average cost of attendance at Michigan's public universities was **\$13,490** in FY 2014

*Cost of Attendance includes tuition & fees, room & board, books & supplies, transportation.



Universities Restraining Spending:

Over the past 14 years, spending per resident student has only increased 2.3%

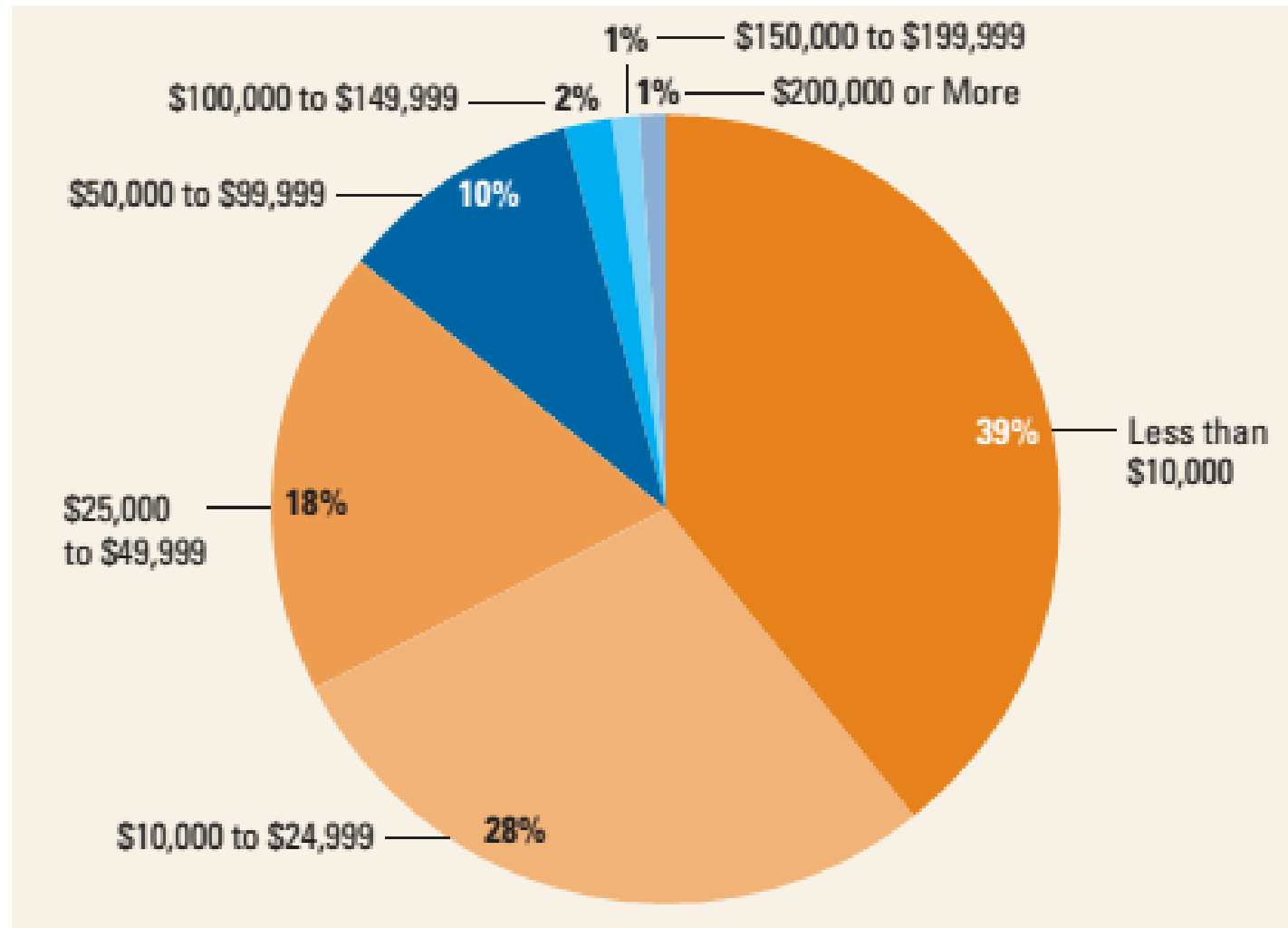


Student Debt

- Student debt – It's an issue – but not a crisis
- Great Recession – enrollment boom, more borrowing
- In Michigan – nearly 40% of public university grads leave with NO student debt

	% of Students with Debt	Ave Debt of Graduates	Per Capita Debt of Graduates
Public Universities-Michigan	61%	\$29,142	\$17,784
Public Universities-National	60%	\$25,902	\$15,486

Distribution of Outstanding Education Debt by Average Balance



Source: The College Board, Trends in Student Aid, 2015; 2014 data.

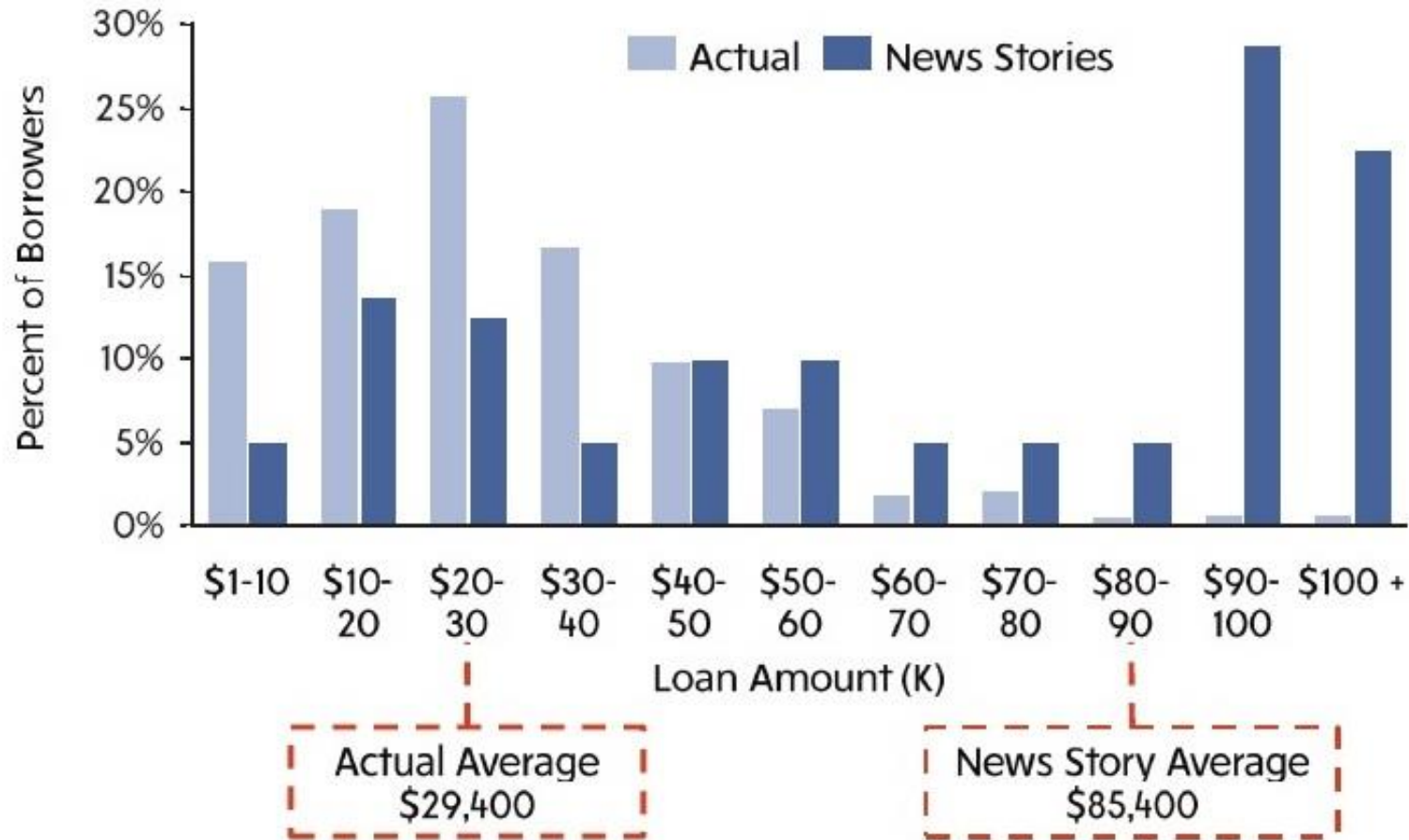
Student Debt Paradox: Smaller the Loan, Higher Likelihood of Loan Default

Percent of borrowers who have ever defaulted, by school-leaving loan balance



Source: Vox.com, Libby Nelson.
Data from New York Fed
Consumer Credit Panel/Equifax.
2014 Q4 data.

Distribution of Student Debt, Actual Vs. Anecdotal Reporting



Institutional Fiscal Stewardship at the State Universities of Michigan

- **Group purchasing contracting**
 - MI Coalition on Health
 - MI Universities Self-Insurance Corporation
 - Midwest Higher Education Compact
- **Organizational realignments, consolidations**
 - Position eliminations
- **Efforts to boost student success**
 - Increased retention, degree completion, reducing time-to-degree



MICHIGAN UNIVERSITIES
COALITION ON HEALTH



Institutional Fiscal Stewardship: Academic Programming

New and Discontinued Degree Programs at Michigan's 15 Public Universities,
May 2015 through April 2016

	New	Discontinued
Bachelor's Degrees	27	25
Master's Degrees	19	48
Doctoral Degrees	10	11

28 *more academic programs were eliminated than were created.*

Graduation Rates

- Positive trend, but still room for improvement
- Inadequacy of Federal Graduation Rate data
- All MI State Universities participating in Student Achievement Measure
- New: MI CEPI Student Success Rate
 - Includes part-time students
 - Includes transfers-in and transfers-out
 - Better data, much better graduation rate
 - Avg. Federal Graduation rate: 58.2%
 - Avg. Michigan Success (Graduation) Rate: 66.6%





The U.S. Department of Education unveiled a new College Scorecard in 2015.

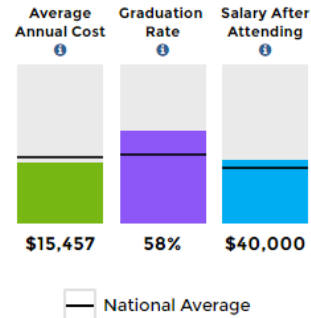
The result?

Michigan's public universities cost below average and return a higher salary compared to national peers.

collegescorecard.ed.gov

Central Michigan University

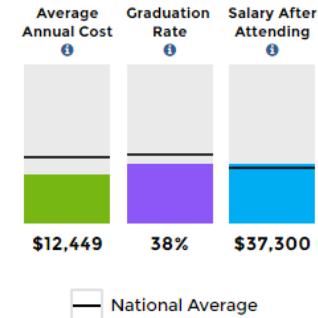
Mount Pleasant, MI
20,070 undergraduates



[VIEW MORE DETAILS >](#)

Eastern Michigan University

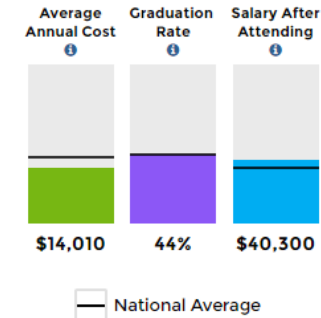
Ypsilanti, MI
18,543 undergraduates



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Ferris State University

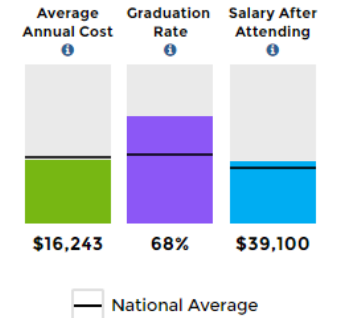
Big Rapids, MI
12,646 undergraduates



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Grand Valley State University

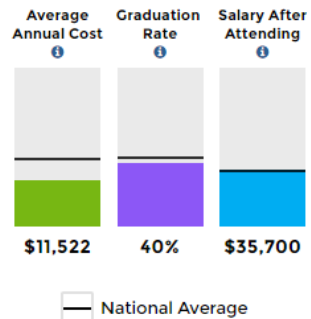
Allendale, MI
21,137 undergraduates



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Lake Superior State University

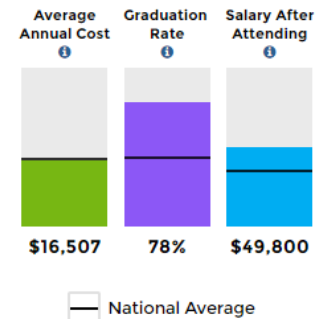
Sault Ste Marie, MI
2,299 undergraduates



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Michigan State University

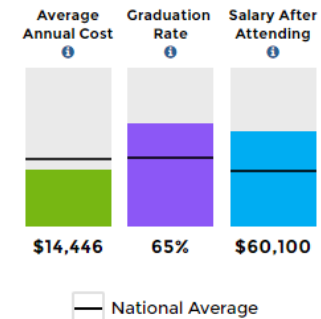
East Lansing, MI
37,622 undergraduates



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Michigan Technological University

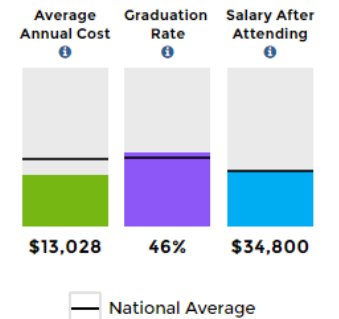
Houghton, MI
5,536 undergraduates



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Northern Michigan University

Marquette, MI
7,959 undergraduates



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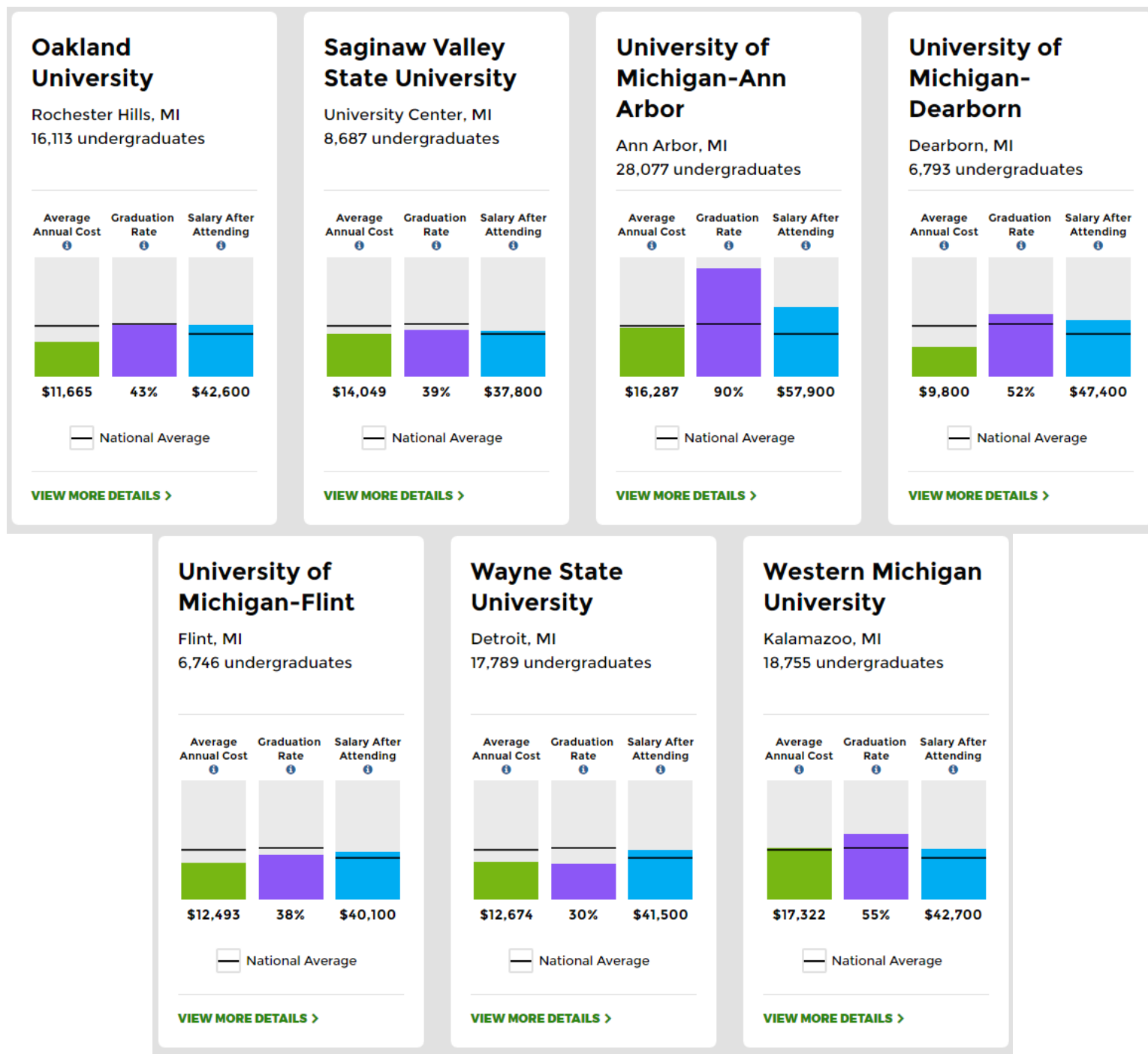


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The result?

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collegescorecard.ed.gov



Collaborating to Advance Student Success

- Career and College Readiness Standards*
- Credit When It's Due (Reverse Transfer)*
- Coalition of Michigan Veterans Educators*
- Detroit Promise Scholarship Program
- Liberal Education & America's Promise
- Math Pathways to Completion Initiative*
- Michigan Career Pathways Steering Committee*
- Michigan Gateways to Completion Project
- Michigan Transfer Agreement*
- Michigan Transfer Steering Committee*
- Michigan Transfer Network*
- MHEC Commission on Military Credit*
- Implementation of Reaching for Opportunity Report Recommendations*

Asterisks indicate initiatives that the Michigan Association of State Universities (MASU) and Michigan Community College Association (MCCA) are jointly involved in.



Academic Program Partnerships Among Michigan Public Universities and Community Colleges 2015-2016

- **Articulation agreements: 596**
- **On-site baccalaureate programs: 150**
- **Other relevant academic partnerships: 35**
- **Classes offered: 1,032**
- **Students enrolled: 11,944**
- **Degrees awarded: 2,740**



Legislative Priorities



3 PRIORITIES,
2 OVERARCHING GOALS:

Improve
College Affordability

&

Student Success
at Michigan's World-Class
Public Universities

**#1: Increase State Need-Based
Student Financial Aid**

**#2: Enhance State Operating
Support for Public Universities**

**#3: Invest in State Capital
Outlay for Michigan's Public
Universities**



masu.org

Hope for the Future Involving College Affordability & Student Success

- **State Level: A sustained period of modest reinvestment in higher education**
- **Institutional Level: Commitment to need-based financial aid**
- **Increasing college *preparation* = increasing *participation***
- **Sophistication in student retention strategies**
- **Innovation in instructional delivery**
- **Pre-college credit (AP, dual enrollment, early college)**

Other Topics??

***Workforce
Alignment***

***Research &
Commercialization***

***Program
Delivery***

Enrollment

Federal Policy

Public Safety

***College
Completion***

Credit Transfer

Liberal Arts

Veteran Student Success

Degree Pathways

Civic Engagement

***STUDENT
OUTCOMES***

K-12 Outreach

International Education

Dialogue

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